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FISCAL IMPACT STATEMENT

LS 6869

BILL NUMBER: HB 1277

NOTE PREPARED: Jan 28, 2008

BILL AMENDED:

SUBJECT: State Economic Development Incentives.

FIRST AUTHOR: Rep. Herrell

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill provides that certain state economic development entities may not provide specified economic development incentives after June 30, 2008, to or for an employer unless the employer agrees and certifies to that effect that the employer will not, solely because of the location of an individual's residence within Indiana, prohibit the individual from applying for employment with the employer. It specifies that if a state economic development entity determines after a public hearing that an employer has violated this provision, the employer forfeits the economic development incentive and must repay to the state any portion of the economic development incentive that has been provided to the employer.

Effective Date: Upon passage.

Explanation of State Expenditures: The bill requires the Indiana Economic Development Council (IEDC) to conduct at least one public hearing to receive comments on the review of any companies that appear to be noncompliant. The bill permits the IEDC to inspect the employer's books, accounts, and records to ensure that the bill's provisions have not been violated. Information from the employer and any other interested parties may be solicited in order to carry out the review. The IEDC's current level of resources should be sufficient to implement this change.

Explanation of State Revenues: The total impact of this legislation on state revenues is indeterminable. This bill could *potentially* reduce the number of companies that would have otherwise chosen to relocate facilities to Indiana. The bill's provisions could also reduce the number of economic development incentives given to companies by the IEDC should it be determined that said companies' hiring practices are not compliant.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation.

Local Agencies Affected:

Information Sources:

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